



SOO Green's Response to IPA's Request for Comments on a Long-Term Clean Energy Procurement

Request for Comments - Question Set 2

1. *What guidelines should govern the design and use of this new procurement mechanism to balance the priorities and needs identified by the state agencies with the ongoing functioning of the regional markets (including the PJM and MISO capacity markets) and Illinois's competitive retail market structure?*

The mechanism should be designed to procure bundled energy products — energy, capacity, and where applicable, clean energy attributes — evaluated on the basis of delivered value to Illinois ratepayers. Resources that deliver into Illinois through new interregional transmission should be treated on equal footing with in-state resources, provided they can demonstrate measurable reliability and cost benefits. Notably, interregional transmission connecting Illinois to regions with high penetrations of renewable generation — such as MISO Iowa — delivers energy with a materially lower emission intensity than the marginal generation it displaces in Illinois, regardless of whether RECs are formally bundled with the product. The IRP and Mitigation Plan should serve as the analytical foundation for identifying need, and the procurement mechanism should be the tool for filling it. The mechanism should allow for a range of commercial structures, including both bundled generation-plus-transmission products and standalone transmission capacity rights, to complement rather than disrupt the regional capacity markets.

2. *How should the need or procurement target of eligible resources or products be determined (i.e. stemming from need identified in IRP process or mitigation plan)?*

The procurement target should be directly informed by the resource adequacy gaps identified in the IRP process and Mitigation Plan. As E3's modeling work progresses, it will quantify the capacity and energy shortfalls facing Illinois post-CEJA retirements. The procurement target should reflect a range — from a conservative floor case to a ceiling case — allowing the mechanism to scale with the level of commercial commitment available from developers at the time of procurement. To put the floor case in practical terms: independently modeled reliability analysis has shown that a controllable HVDC tie between MISO and PJM, with no dedicated generation, delivers the capacity equivalent of a large gas-fired power plant to

Illinois. It simultaneously provides access to lower-cost energy that has historically been priced below ComEd in the majority of hours. The ceiling case, with a dedicated generation portfolio, increases that contribution significantly. The mechanism should be structured to accommodate both ends of this range.

3. *How frequently should these procurements be conducted and what would trigger and justify a procurement event?*

Procurements should be conducted on a regular cycle aligned with IRP updates, with the flexibility for off-cycle events triggered by reliability findings such as those in the December 2025 Resource Adequacy Study. Given the long development timelines for interregional transmission and associated generation (3–5 years from commitment to commercial operation), the first procurement under this mechanism should be initiated promptly to ensure resources can be online during the early 2030s, when the supply-demand gap is projected to be most acute.

4. *How should the resources or products be evaluated in isolation and against one another to meet the need or procurement target described above? Respondents may consider differences in resource type, cost, contract length, or commercial operation date.*

Resources should be evaluated on delivered value to Illinois, including wholesale energy cost savings, capacity contribution (measured by ELCC or equivalent), clean energy attributes and/or emission intensities, speed to commercial operation, and long-term cost certainty. Interregional transmission-delivered resources that can demonstrate independently verified ELCC accreditation and historical energy delivery patterns should be evaluated alongside in-state resources on these same criteria. Contract length should be a factor in evaluation — longer-duration commitments from resources with long asset lives (such as HVDC transmission infrastructure with 60+ year useful life) can offer Illinois ratepayers greater long-term price stability.

5. *Should there be any cost caps or other guardrails on the procurements to protect Illinois customers from increased rates? If so, please describe.*

Cost-effectiveness guardrails should be structured around net ratepayer impact rather than gross procurement cost. An indexed structure — where the energy product is procured at a strike price net of wholesale market revenues — provides a built-in guardrail: when market prices rise, the procurement cost to ratepayers falls. Any benchmark should reflect the avoided cost of alternatives, including the cost of inaction (i.e., the wholesale price increases Illinois ratepayers face without new

clean energy and capacity additions). The mechanism should ensure that net savings to ratepayers remain positive over the contract term.